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FOREIGN NEWS ON APPLES

THE DISTRIBUTION OF APPLES THROUGH NEWCASTLE-ON-TYNE

Newcastle-on-Tyne has long been identified with ocean shipping. Aside from shipbuilding its population is dependent on the coal, iron and steel industries. The city has a population of 275,000 and when taken with Gateshead, directly across the river, comprises a community of over 400,000. The numerous coal mines and affiliated industries in this section of the north of England, make Newcastle the natural distributing point for several millions people.

With regard to the distribution of apples, transportation, as in the case of Hull, has been a ruling factor, and unsatisfactory shipping relations with American orchards have caused much of the territory adjacent to Newcastle, and even Newcastle itself, to draw on Glasgow, Liverpool, Manchester and Hull for supplies of apples. Like Hull, it shares with other British ports in the direct importation of Mediterranean fruits, although it ranks last in this respect. During the war it was a point for reshipment of American and Canadian apples to Scandinavian points on account of shipping restrictions from other ports. This business, however, has largely disappeared.

Methods of Fruit Distribution in Newcastle.

The wholesale fruit and vegetable trade is centralized at Green Market, several dealers having stalls in the Market with warehouse properties in adjacent territory. Some of the best wholesale houses are situated on St. Andrews Street, paralleling one side of Green Market.

The wholesalers buy most of their supplies of American apples from Glasgow and Liverpool, although modest supplies of Maine and Canadian apples are received out of ships sailing direct from Montreal at intervals of ten days. These, together with some small parcels reshipped from other ports, are sold by Newcastle brokers.

Most wholesalers are anxious for direct shipments from the United States to complement their sales of Spanish oranges. This situation has caused several wholesalers to try to gain the position of importing broker and in desperation certain of them have purchased American apples by the thousand in Glasgow and offered them at auction to their neighboring wholesale merchants. The lines between wholesaler and broker are not closely drawn in Newcastle. As is customary in many wholesale markets of Great Britain, there is much auctioneering by wholesalers to retailers. The vigorous ringing of a large bell outside his premises announces that a certain wholesaler is about to start auctioning. Auction sales seemed quite open to large and small buyers alike, and no information was offered to the effect that retailers were barred, even from those sales held by bona-fide brokers.

Facilities and Auction Methods.

Newcastle is served by the Cairns-Noble Line, sailing direct at ten day periods from Montreal and also by a Furness-Withy Line.

Fruit is discharged on the quay at Tyne-side, possibly $1\frac{1}{2}$ miles from the market, and in some instances the entire cargo is carried to the warehouses of the salesmen as fast as discharged. In other instances samples are removed and auction sales are made from sample. Two of the leading brokers have their own salerooms. One of these two brokers also does a wholesale business, and participated heavily in the Spanish orange distribution. Auctions are held as required by the discharge of cargoes. The names of Newcastle brokers may be secured by addressing the Foreign Service, Bureau of Agricultural Economics, Washington, D. C.

Costs of Selling.

Usual brokerage charges are 5 per cent, although circumstances cause a variation in this rate. An inclusive handling charge amounting to 22¢ (11d.) per box and 34¢ ($1\frac{1}{5}$) per barrel of apples is deducted from account sales.

Liverpool Auction Popular in Newcastle.

Although the transportation between Glasgow and Newcastle is much less expensive than it is between Liverpool and Newcastle, the Liverpool auction remains a popular source of supplies. One large buyer stated that when he could not go personally to Glasgow he ordered his supplies through Liverpool buyers. This popularity is due to the dependability of dock sorting in Liverpool. It is presumed that this preference would not apply to boxed apples to the same extent that it does to barrels. The cost of transportation between Glasgow and Newcastle on barrels is 51¢ ($2\frac{1}{2}$ *) as against 68¢ ($2\frac{1}{10}$) between Liverpool and Newcastle, and 21¢ ($10\frac{1}{2}$ d.) as against 26¢ ($1\frac{1}{1}$) on boxes.

Demand and Competition.

Probably the most popular apple in the Newcastle Market is the York Imperial. It is an attractive apple with satisfactory quality and can be retailed at a price that makes a strong appeal to the miners and shipworkers.

In boxed apples the Fancy grade enjoys a greater demand than other grades, although in red varieties this grade is discriminated against when it does not have color. The Jonathan is the most popular boxed apple. Instances have occurred where shop keepers displayed Spitzenburgs as Jonathans for the reason that the latter was the more popular.

Direct sailings from Montreal make eastern Canadian apples the most serious competitor. British Columbia has not exploited this market to such an extent as to cause serious competition to American shippers of boxed apples.

The fruit trade is so dependent upon the coal and shipbuilding trades that Newcastle can never be expected to be a top-price market except in periods of unusual prosperity when these workers are good spenders.

Citrus Fruit

Spanish oranges have full command of this market. The presence of California and Florida oranges in Newcastle is a rarity, although a sample of the latter was seen on the market. It was necessary for the wholesaler to sell these at 30/- (\$7.14) per case of 72 pounds, whereas Spanish oranges of similar size were selling for 13/- (\$3.09) per case of 112 pounds. Grapefruit has made the least advance in this market of any visited in England.

General Conclusions on Newcastle.

Some shippers may find it possible to make a saving by shipping through Montreal, as all boxed apples coming direct will have from 21¢ (10 $\frac{1}{2}$ d.) to 26¢ (1/1) less charges against them than if reshipped from Liverpool or Glasgow. Providing this does not interfere with general price levels in Liverpool and Glasgow, this saving would take the form of either greater returns to growers or dealers, or in cheaper prices to consumers. It would not seem probable that the modest quantities taken away from Liverpool and Glasgow would influence prices in these markets more than Hull has been influenced by the recession of the Scandinavian trade. In the case of York Imperials from Virginia, much of this advantage would be lost through the additional cost in placing the fruit in Montreal.

Direct shipments of adequate supplies of boxed apples to bona fide Newcastle brokers would have a tendency to make the lines more closely drawn between broker and wholesaler. This would have considerable effect on the present nature of the trade in Newcastle.

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